

M/035/002

Kennecott Utah Copper Corporation
12000 West 2100 South
P.O. Box 6001
Magna, Utah 84044-6001
Tel: (801) 569-7120 (Barney's)
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Kennecott

Paula H. Doughty
Manager, Environmental Affairs and
Strategic Resources

January 28, 2004

Mr. Wayne Hedberg, Permit Supervisor
Minerals Reclamation Program
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801

RECEIVED

JAN 30 2004

DIV. OF OIL, GAS & MINING

Subject: Annual Reports for 2003, Kennecott Utah Copper Corporation

Dear Mr. Hedberg,

Enclosed are the completed annual reclamation report forms for the following Kennecott Utah Copper Corporation (KUCC) DOGM permits:

M/035/002	Bingham Pit and UCD Modernization (Active)
M/035/011	4 th Line / Copperton Concentrator (Active)
M/035/015	North Impoundment / Saltair / Tailings (Active)
M/035/004	Pine Canyon Reclamation Project (Inactive)

As in previous years reports, all disturbed and reclaimed acreage on the Magna Tailings Impoundment are reported under permit number M/035/002. Approximately 180 acres of land was disturbed for development by Kennecott Land Company within the M/035/002 permit boundary, however this was not added to the total disturbed area since it was not mining-related.

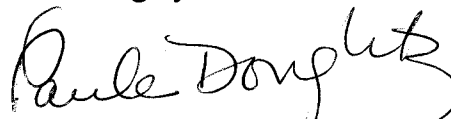
Some information has changed since the previous year. Paula Doughty will be the company representative, or designated contact for all four sites. In addition, both a mailing address and a physical address has been included in question number 8.

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In 2003, KUCC spent approximately \$1,970,000 dollars on reclamation activities within the boundaries of permit M/035/002. These costs included purchase of seed, fertilizer, surface preparation and rental of equipment. They also included maintaining a sprinkler irrigation system for the Magna Tailings Impoundment. After correcting for inflation, this equates to \$663,445 spent in 1978 dollars. This is well in excess of the \$50,000 annual expenditure required by permit #M/035/002.

If you have any questions about these annual reports, please contact me at 569-7120.

Paula Doughty

A handwritten signature in cursive script, reading "Paula Doughty". The signature is written in dark ink and is positioned above the printed title.

Manager Environmental Affairs
and Strategic Resources

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From: 1/2003 To: 12/2003
2. DOGM File Number (Mine No.): M/035/002
3. Mine Name: **Bingham Pit**
4. Mineral(s) Mined (or permitted to mine): **Copper and associated metals**
5. Type of Mine: X Surface Mine or ___ Underground Mine
6. Legal Description, (Location of Land Affected):

Sections 7,8,9,10,11,17,18,19,20,21,30 & 32	T1S, R2W
Sections 9,11,12,13,14,15,16,22,23,24,25,26 & 36	T1S, R3W
Sections 4,5,9,10,11,14,15,22,23,27 & 33	T2S, R2W
Sections 7,17,18 & 19	T3S, R1W
Sections 4,8,9,13,14,15,16,17,19,20,21,24,25,28, 29,30,31 & 32	T3S, R2W
Sections 11,12,13,14,15,21,22,23,24,25,26,27, 33,34,35 & 36	T3S, R3W
Sections 6 & 7	T4S, R3W
Sections 1,2,3,11 & 12	T4S, R3W
<i>Salt Lake Base and Meridian, Salt Lake County, Utah</i>	

7. Name of Operator or Company: **Kennecott Utah Copper Corporation**
8. Permanent Street Address: **8362 West 10200 South**
City, State, Zip: **Bingham Canyon, Utah 84006**
Phone: **(801) 569-7120**
Fax: **(801) 569-7192**

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DIV. OF OIL, GAS & MINING

Mailing Address: **P.O. Box 6001**
8315 West 3595 South
City, State, Zip: **Magna, UT 84044**
Phone: **(801) 569-7120**
Fax: **(801) 569-7192**

9. Company Representative (or designated operator):

Name: **Paula Doughty**
Title: **Manager, Environmental Affairs and Strategic Resources**
Business Address: **P.O. Box 6001**
City, State, Zip: **Magna, UT 84044**
Phone: **(801) 569-7120**
Fax: **(801) 569-7192**

☐ Please check if any of the above information has changed since previous year

II. Mining and Reclamation

1. Was the mine active during the past year? **YES (mine)**
2. If no – what was the last year of activity? **Tailings disposal on the Magna Tailings Impoundment was discontinued in the fourth quarter 2002.**
3. If yes – how much ore or mineral was mined?

A total of 50.9 million short tons of ore were mined in 2003.

4. Briefly describe the type of work performed, volume of materials moved, and any new or additional surface disturbances that occurred during the past year.

A total of 94.3 million short tons of waste rock were produced at the mine in 2003. Most of the waste rock was placed into the existing Bingham Canyon waste rock disposal area on top of existing waste dumps. Tailings disposal onto the Magna Impoundment ceased in the fourth quarter 2002. Active tailings disposal continued on the North Tailings Impoundment Permit # M/035/015).

5. How much additional acreage was disturbed during the year?

A total of 425 acres were disturbed in 2003. 58 acres from waste rock disposal on Code 83 (6 acres), Code 84 (25 acres) and Yosemite Dumps (27 acres); 25 acres from soils deposited at Copper Notch by Kenecott Land Company (KLC); 270 acres of rehabilitated land re-disturbed due to removal of soils from South Jordan Evaporation Ponds and Bastion Sink by KLC; 72 acres disturbed for roads to transport soils.

Waste rock disposal occurred on 19 acres in the Bingham canyon, however this is an area that has already been disturbed by mining activities. 270 acres of disturbed land at the South Jordan Evaporation Ponds Sludge Repository and Bastion Sink is land that was previously reclaimed and re-disturbed in 2003.

6. How much acreage was reclaimed during the past year?

First time reclamation was performed on a total of 757 acres in 2003. 727 acres of new land reclaimed at the tailings impoundment and 30 acres new land reclaimed at the mine (current plan only requires the area to be ripped and contoured).

Reclamation activities were performed on an additional 721 acres, however this is not counted in the total acreage reclaimed in 2003. 671 acres were re-seeded at the tailings impoundment. These were areas that were previously reclaimed, but had limited success. 50 acres were ripped and contoured at the mine, but not seeded as initially planned. That area will be seeded in 2004. Reclamation activities were performed on a total of 1478 acres in 2003.

7. Briefly describe the reclamation work performed during the past year (2003). This description should include methods employed, and an evaluation of the results.

Upper Midas Dump

On 50 acres, the slope was reduced, contoured and ripped. 150 ft high angle of repose slopes were reduced to slopes of 2.5:1 to 2.75:1. All reclamation work was performed in the fall. Limestone, fertilizer and vegetation work is scheduled for spring/fall 2004 and will be counted as 2004 reclamation.

Mine Access Road

On 30 acres, the slope was reduced, contoured and ripped. 100 ft high angle of repose slopes were reduced to 2.5:1 to 3:1. Reclamation activities were difficult and time-consuming in this area due to the soil stockpile at the base of the waste rock, which is to be used for capping the Lower Canyon dump face. All reclamation activities were performed in the fall/winter. This site is underlain by very acidic, high saline soil with abundant pyrite, so no vegetation work is currently planned for this surface.

Magna Tailings

First time reclamation was performed on 727 acres. Using Drill Seed, these areas received 22,550 lbs of Reclamation Mix #3, 34,100 lbs Rye, 104,440 lbs fertilizer. In addition, using hydroseed/broadcast, 930 lbs of Reclamation

Mix # 3, 3430 lbs of Rye and 4300 lbs of fertilizer were applied.

Reclamation activities were performed on a total of 1398 acres on the tailings in 2003, however 671 acres were previously vegetated areas that limited success and had to be re-seeded. These areas received 34,354 lbs of Rye, 15,786 lbs of Drill Seeded Reclamation Mix #3 and 68,400 lbs of fertilizer.

8. What is the total disturbed acreage of the entire project at years end (2003)?

There were an estimated 10,941 acres of disturbed land by the end of 2003. This is based on 11,273 acres disturbed land at the end of 2002, plus 425 acres new disturbance (waste rock, Copper Notch, roads, soils removal), minus 757 acres first time reclamation (waste rock and Magna Tailings).

9. Briefly describe any mining and/or reclamation plans for the upcoming year.

During 2004, most waste rock disposal will continue in Bingham Canyon. Waste rock dumps in Bingham Canyon will likely extend beyond the Dry Fork shops, which have already undergone demolition. Most of the dump extension is over acres disturbed by previous mining activities.

Waste rock reclamation will continue below the mine access road in 2004 (reducing slopes, contouring and ripping) and 50 acres on the Upper Midas dump that was contoured and ripped in 2003 will receive fertilizer, limestone and seed in 2004.

Reclamation activities will be performed on 785 acres on the Magna Tailings Impoundment in 2004. 550 acres will be areas receiving first time seed and 235 acres will re-seeded.

The 2004 Reclamation Activities Plan is being prepared and will be submitted to the Division of Oil, gas and Mining by February 27, 2004.

NOTE: Section III., "Additional Information" applies only to large mining operations.

III. Additional Information – R647-4-121.2 and .3

1. The operator shall include an updated map depicting the surface disturbance and reclamation performed during the year, prepare in accordance with Rule R647-4-105.

A map (NTO-52-019) of the Magna Tailings Impoundment is included which shows 2003 reclamation areas. Reclamation maps for the mine will be included in the Reclamation Activities Plan, February 27, 2004.

2. The operator shall keep and maintain timely records relating to his performance under the Act, and shall make these records available to the Division upon request.

Kennecott Utah Copper Corporation updates and maintains reclamation records and those records can be made available to the Division upon request. The 2003 Reclamation Activities Plan will be submitted to the Division of Oil, Gas and Mining by February 27, 2004.

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

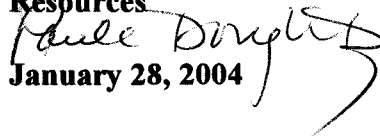
Name (Typed or Print):

Paula Doughty

Title of Operator:

Manager Environmental Affairs and Strategic Resources

Signature of Operator:



Date:

January 28, 2004

jb

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Kennecott North Tailings

Survey Department

LEAN END RECTOR
2003 SEEDED AREAS

NO.	DWG NO. NTO-52-01
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S	Drawn by: M.Abele	SHEET
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12-03Seed.dwg
JAN.12, 2003

NIO-2	
SCALE	NTS
Drawn by: M. Abele	
SHEET	

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